

## Message Text

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ACTION IO-11

INFO OCT-01 ISO-00 IOE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 ABF-01 OMB-01 TRSE-00 PC-01

AF-06 ARA-06 EA-07 EUR-12 NEA-10 /096 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 8414

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FOR ASST. SEC. LEWIS FROM AMB. DALE

E.O. 11652: N/A

TAGS: AORG, ISVS

SUBJECT: LIQUIDATION OF ISVS

REF: PHONE CALL TO AMB. DALE FROM PARKER WYMAN

1. FOLLOWING IS ADDITIONAL INFORMATION OBTAINED  
SINCE OUR DISCUSSION OF SUBJECT.

2. FRANCE HAS COMMITTED SF 100,000, NETHERLANDS WILL  
CONTRIBUTE OVER SF 100,000. SWITZERLAND SF 80,000  
AND DENMARK SF 45,000, COLOMBIA HAS INDICATED THAT  
A CONTRIBUTION NOW UNDER PARLIAMENTARY CONSIDERATION.  
NO OTHER RESPONSES TO APPEAL AS OF THIS DATE.

3. IN DISCUSSION WITH MISSION OF FEDERAL REPUBLIC  
OF GERMANY WE LEARNED THAT FRG HAS NOT YET MADE  
DECISION ON WHETHER OR HOW MUCH TO CONTRIBUTE. FRG  
IS LOOKING TO US TO TAKE LEAD AS WE ARE IN SIMILAR  
POSITION WITH ON SIGNIFICANT DIFFERENCE. FRG VIEWS  
SITUATION AS FOLLOWS: WHEN GERMANS ANNOUNCED IN 1974  
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THAT THEY WERE WITHDRAWING SUPPORT, THEY DID NOT

PARTICIPATE IN ANY ACTIVITY OF ISVS THEREAFTER.  
USG, ON OTHER HAND, MADE SOME ANNOUNCEMENT IN 1974  
AND CONTINUED TO PARTICIPATE IN COUNCIL MEETINGS, ETC.,  
INCLUDING THE ONE WHICH ADMINISTERED DEATH BLOW TO  
ISVS. US PHYSICALLY WITHDREW ONLY AFTER FATE OF ISVS  
WAS SEALED. WHILE GERMANS FEEL THAT US MAY HAVE  
MORE OF A MORAL OBLIGATION TO PROVIDE FINANCIAL  
ASSISTANCE FOR LIQUIDATION, FRG MISSION GENEVA HS  
RECOMMENDED TO BONN THAT FRG CONTRIBUTE SUBSTANTIALY.

4. LIQUIDATION BOARD HAS INFORMED MISSION THAT SWISS  
BANKS WILLING TO LEND ANOTHER SR 300,000 TO DEFRAY  
LIQUIDATION EXPENSES BUT REQUIRE PLEDGE LETTERS FROM  
DONOR COUNTRIES. CONTRIBUTIONS IN PARA 2 ABOVE NOT  
USEABLE FOR THIS PURPOSE AS MOST OF THESE FUNDS HAVE  
BEEN PREVIOUSLY PLEDGED AND WERE USED TO SECURE EARLIER  
LOANS.

5. IN ARRIVING AT US DECISION CONCERNING PARTICIPATION  
IN LIQUIDATION COST, FOLLOWING MUST BE CONSIDERED:  
A) AS WE UNDERSTAND IT, ISVS WAS ORGANIZED ON US  
INSTIGATION. ORGANIZING CONFERENCE WAS ATTENDED BY  
LYNDON JOHNSON AND HUBERT HUMPHREY FOR US IN 1973, WE  
PROPOSED MERGER WITH UNV BUT WERE NOT SUCCESSFUL. IN  
AUGUST 1974, WE GAVE WRITTEN NOTICE OF NO FURTHER  
SUPPORT, REITERATED POSITION IN OCTOBER 1974  
COUNCIL MEETING. WHEN OUR MEMBERSHIP EXPIRED IN  
JUNE 1975, WE SHOULD NOT HAVE RETURNED AS AT THAT  
TIME WE HAD NO OUTSTANDING OBLIGATION. UNFORTUNATELY,  
US DELEGATION NOT ONLY APPEARED FOR OCTOBER 1975 COUNCIL  
MEETING, BUT EVEN INTRODUCED LIEQUIDATIONS MOTION AND  
PARTICIPATED EVEN IN THE DECEMBER LIQUIDATION SESSION.  
ONLY WHEN ISVS FATE WAS SEALED DID DELEGATION ANNOUNCE  
ITS WITHDRAWAL FROM MEETING AND CONSEQUENCES.

B) ISVS IS THE ONLY INTERNATIONAL ORGANIZATION  
TO FAIL SINCE THE DAYS OF THE LEAGUE OF NATIONS.

C) SWISS BANKS MAY FEEL THAT THOSE WHO SUPPORTED  
ISVS DURING ITS LIFETIME HAVE OBLIGATION TO ASSIST  
IN ITS LIQUIDATION, DIAPPOINTMENT OF BANKS, OR  
DEFAULT ON LOAN, MAY HAVE DIRECT BEARING ON SWISS-  
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AMERICAN RELATIONS.

D) LDC'S WHO DEPENDED ON ISVS HELP WILL UNDOUBTEDLY  
USE NEGATIVE US DECISION FOR THEIR PURPOSES IN OTHER  
FORA. A BACKLASH IS ALMOST CERTAIN, AT LEAST IN GENEVA.

E) FRIENDLY MISSIONS HERE HAVE ALREADY EXPRESSED  
DISAPPOINTMENT WITH US POSITION TO DATE. GERMAN VIEW  
STATED IN PARA 3 ABOVE SHARED BY OTHER WESTERN NATIONS.  
IF WE HAD NO INTEREST IN THE ORGANIZATION, WE SHOULD

NOT HAVE IMPLIED SUCH INTEREST BY OUR PRESENCE. OUR  
FAILURE TO CONTRIBUTE TO LIQUIDATION COST WILL  
UNDOUBTEDLY HAVE A DAMAGING EFFECT ON OUR RELATIONS  
WITH OTHER PARTICIPATING NATIONS IN GENEVA.

6. IN VIEW OF THE ABOVE, FEEL STRONGLY THAT MORAL  
OBLIGATIONS TO CONTRIBUTE TO LIQUIDATION COST OUTWEIGH  
LEGAL CONSIDERATIONS. THERE ARE ONLY THIRTY DAYS  
LEFT IN WHICH TO CLEAN UP THIS ENTIRE AFFAIR. APPRECIATE  
PROBLEM OF FINDING FUNDS ON SHORT NOTICE. HAVE ALSO  
CONSIDERED POSSIBLE EMOTIONAL REACTION OF CAPITOL  
HILL TO REQUEST FOR FUNDS NOT PREVIOUSLY ASKED FOR,  
OR CONVERSELY, HAVING TO DEFEND LIQUIDATION OF AN  
INTERNATIONAL ORGANIZATION CREATED BY US. ON  
BALANCE, MUST RECOMMEND THAT USG CONTRIBUTE GENEROUSLY  
TO LIQUIDATION COST AND SUGGEST SUM OF US \$100,000. DALE

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